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17 July 1950

MEMORANDUM FOR: THE ACTING EXECUTIVE

SUBJECT: Change in Confidential Funds Regulations

REFERENCE: Your memorandum dated 10 July 1950

Representatives of CSC, CEC and SSS met on 13 July 1950 to discuss proposed revision of Chapter VIII, Confidential Funds Regulations. These meeting concurred in the revision as submitted with the following exceptions:

Under 8.0 a - The omission of the words "real estate" from the draft presented by SSS were noted, and it is recommended that the words "real property" be included in this directive after the word "equipment".

Under 8.0 b - This subparagraph was not liberal enough in view of the Agency head's non-delegable authority and it was recommended that the following be substituted:

"Covert procurement will be effected to the extent feasible in conformity with general policies and procedures contained in the Armed Services procurement regulations." (Public Law 113, 80th Congress, 2d Session, dated February 1948)

*OK*

The reason underlying this comment being that the SSS/CEC has been operating under an interpretation from the CIA General Counsel's office "that Section 10 (b) of Public Law 110 is in contradiction to, and to that extent, overrides Section 3 (d) of the Act, and compliance with the requirements of Section 3 (d) is not obligatory in the case of unvouchered contracts." (See Memorandum for The Record, Subject: "Unvouchered Procurement", dated 19 December 1949, signed [redacted])

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Chief  
Special Support Staff

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